C5150-4

Chain Store Age
EXECUTIVE
with Shopping Center Age
The newsmagazine for retail management
February 1986

Consumer Preference Study

EX
00339950
MS. JEANNE LONG
CONGRESSIONAL INFO INC. 1E8
4520 EAST WEST HWY
BETHESDA MD 20814

EUROPEAN RETAILERS:

The New Immigrants

TWENTY FIVE DOLLARS A YEAR (USA)

CONTENTS

KEYING IN ON CONVENIENCE

By offering certain conveniences to their customers, retailers can almost double the size of their trading area. While obviously low prices are a major travel impetus, other key motivators include wide selection, merchandise guarantees and plentiful, knowledgable, friendly sales help..... *11*

EUROPEAN RETAILERS: THE NEW IMMIGRANTS

With home markets saturated, these merchants have infiltrated the U.S. To be profitable, though, most have to adapt their operations. *16*

From the Editor's Desk 4
Perspectives 7
On the Level 28
Advertising Index 73
SPECS Forum 74

DEPARTMENTS

Finance: Sears speeds up the introduction of its Discover card . . . *39*

Security: Employees can be both a debit and credit in the area of controlling shrinkage. *40*

Retail Technology: "What you see is what you get" is an axiom few retailers can apply to distribution. . . *43*

Marketing: Genovese experiments with coupon dispensing machines. *49*

Visual Merchandising: The Limited employs new design concepts in its New York store. *54*

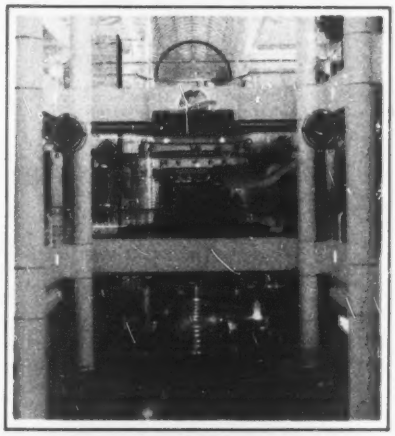
Merchandising: Rich's turned to J. Bildner & Son to create supermarkets in its Atlanta stores. *57*

Legislative Affairs: Washington report *60*

Physical Supports: The pros and cons of various roofing systems continue to be hotly debated. *61*

Strategic Planning: New merchandising and advertising programs turned around CWT. *67*

SHOPPING CENTER AGE



GOING WHERE THE RETAIL ACTION IS

An increasing number of shopping center developers are investing in downtown projects. In some cases they are following the lead of the department stores. However, building in such locations requires an enormous investment of both money and time. *21*

KEYING IN ON CONVENIENCE

RETAILERS CAN ACT TO DOUBLE THE SIZE OF THEIR TRADING AREAS

"I like a store that has outstanding selection so that I can find the things I want quickly and I can choose from higher or lower prices."

This comment comes from one of the participants of a recent study of consumer shopping behavior conducted by Leo Shapiro & Associates for *Chain Store Age Executive*. The study is an attempt to pinpoint those factors, covered by the umbrella term "convenience," that influence store patronage.

According to Leo Shapiro, president of Leo Shapiro & Associates, the term convenience encompasses a number of factors that make shopping easier and more pleasant. While travel time is obviously a major factor, it is not necessarily the most significant one.

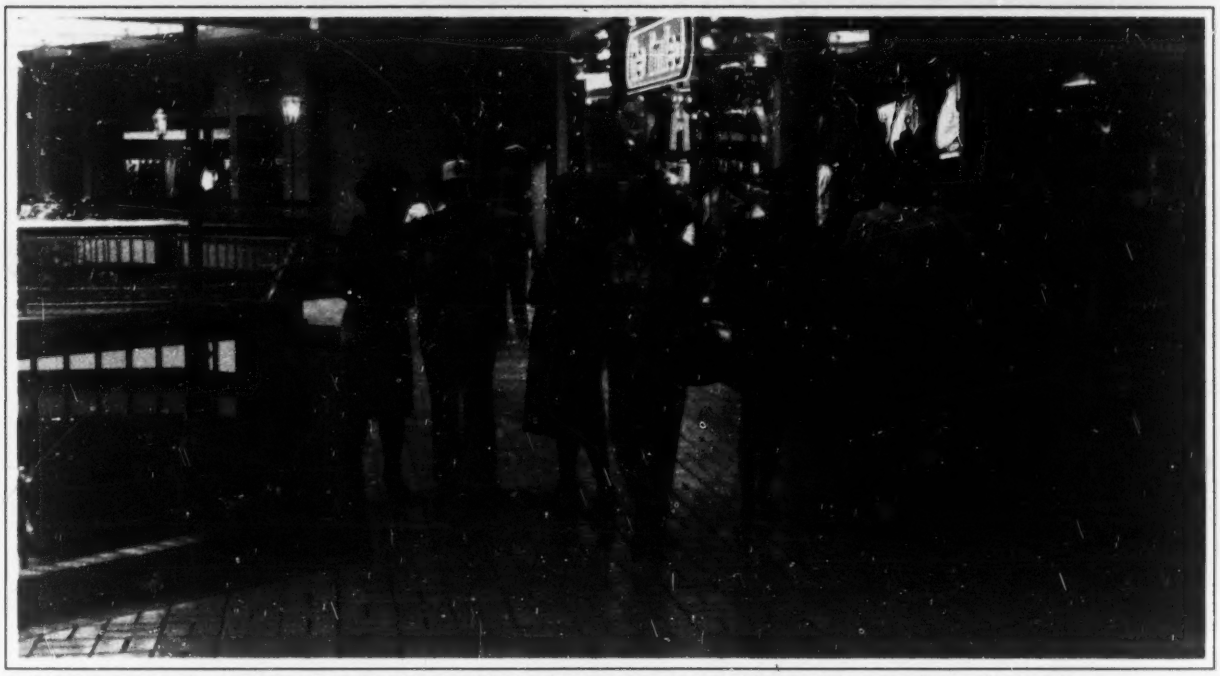
Specifically, the 1,304 survey participants were asked the following questions related to shopping for apparel and home goods:

- "Generally speaking, about how long does it take you to get to stores like these from your home? . . . What is the longest it would take you to get there?"
- "What is the shortest time?"
- "How many minutes does it take to get to the store most convenient?"

The answers included the following average times: shortest, 13 minutes; longest, 22.9 minutes; and most convenient, 16.6 minutes.

"Convenience, by this measure, represents a potential increase of 28% in the radius of a store's drawing power, or an almost doubling of the store's primary trade area," says Shapiro.

The 14 major retail conveniences investigated included the following: parking facilities; evening hours; cash-register and/or checkout areas; the ability to charge purchases; less time required to find the merchandise being sought; help in carrying packages to the car; Sunday hours of operation; gift wrapping and/or shipping purchases; good parking lot access; store located in an indoor mall; store designed so that it is not tiring to shop there; sales help; parking lot lighting; and ability to telephone ahead for information about mer-



SHOPPING BEHAVIOR: IF THE RIGHT CONVENIENCES ARE OFFERED, CONSUMERS WILL EXTEND TRAVEL TIME

chandise.

Asked specifically, "Of all the stores you shop for clothing and things for the home, which one would you say is most convenient when you take all these things into account?" 32% of the respondents refer to full line department stores, 26% to general merchandisers and 26% to self-service discount department stores (such as K mart).

Clothing specialty stores are labeled "most convenient" by only 6%; other general merchandisers (including promotional chains, off-pricers and catalog showrooms) by 3%; and other types of stores, including hardware, variety stores, drug stores, shoe stores and furniture stores, by an additional 2%. Five per cent of the respondents did not answer this question.

A later phase of the study added eight factors impacting how satisfied the consumer is likely to be with her purchase.

Two of these factors relate directly to the store's salespeople: "They know the merchandise and are really helpful" and "Salespeople make you feel welcome." The other factors: low prices, outstanding selection of merchandise, satisfaction guaranteed or money back, feeling comfortable with the store's other patrons and store decor. Also included in the list was the general comment that "Shopping the store is really enjoyable."

Even after these additional considerations were introduced, the identity of the store named as most convenient remains virtually unchanged.

"The fact that the store consumers select as 'most convenient' remains constant even after consumer attention is directed to substantive features like low prices and selection indicates that, for the consumer, the 'most convenient' store is the one that the consumer feels can be shopped most easily, most comfortably, most enjoyably without tension about price or selection or the availability of skilled sales help," says Shapiro.

Average additional travel

	Willing to travel	Minutes
Low price	81%	13.5
Selection	78	8.9
Guarantee	73	8.2
Good help	69	5.7
Nice help	59	4.5
Sales help (in general)	57	3.9
Enjoy shopping there	54	3.8
Open Sundays	54	3.6
Less time to find things	50	3.5
Open evenings	50	3.2
Can phone ahead	51	2.8
Lit parking	50	2.5
Indoor mall	43	2.4
Parking lot (in general)	51	1.8
Easy into parking lot	48	1.5
Don't get tired there	42	2.1
Customers are nice	43	2.1
Beautiful store	44	1.7
Use credit card	42	1.8
Checkout	46	1.8
Giftwrap	37	1.1
Carry your bags	18	—

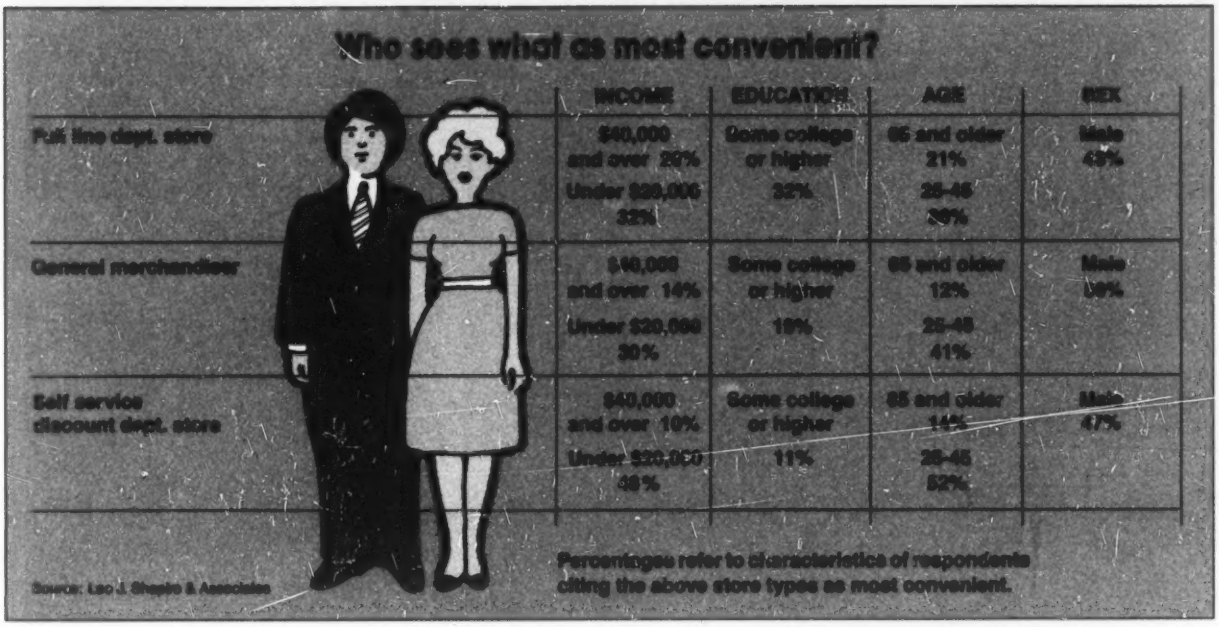
Source: Leo Shapiro & Associates

In ranking the impact of these various factors, not surprisingly, low price turns out to be the prime motivator of increased travel time for 81% of the respondents. This is closely followed by selection of merchandise, an important motivator for 78% of the survey group.

Likewise, price will spur the greatest amount of extra travel time of any of the factors studied. When the survey respondents were asked specifically "how many more minutes would you be willing to travel to a store because . . . ?" they answered 13.5 minutes in the case of price. This helps to explain the tremendous success of such no-frill concepts as membership warehouse clubs, many of the off-price merchandisers and factory outlet stores and centers which include few of the other major conveniences deemed important to consumers.

Following broad selection in its overall appeal to the consumers surveyed is "a guarantee of satisfaction or money back," an important convenience factor for 73% of the respondents.

As one participant says, "I'm on a



tight financial budget. If I can't get the original product and they don't give me my money back and instead want to give me credit, I'm either going to have to go with a product I'm not happy with or buy just to get my money back, instead of going somewhere else to buy the product I originally wanted."

That customer isn't going to shop that store again.

However, the single biggest turnoff for shoppers (most of whom emphatically state that they don't like to shop anyway) appears to be inability to find qualified help on the selling floor.

For example, when salespeople don't make him feel welcome, "I don't feel wanted in the store and I might not go back," says a young male consumer.

He adds, "I want to go in and have them help me pick out styles and colors because I'm not sure what style and color to get."

Although the speaker is only 18 years of age, with an income of $20,000 to $30,000, the sharing of similar sentiments appears to have no age, sex or income barriers (unlike demographic differences in the type of store selected as the "most convenient" which are outlined in an accompanying story).

"When there wasn't someone in the store for assistance, it was inconvenient for me to shop there. I was willing to buy what they had but they didn't offer assistance. I couldn't deal with the situation so I left," recalls a 36-year-old mother of three children, whose income is between $10,000 and $15,000.

She adds, "I want to have assistance rather than search and dig for the merchandise. When the salespeople know where the merchandise is, it makes the shopping experience more enjoyable."

Likewise, "It's nice to have someone take the time to help you out, plus then I can find what I want more quickly," says a retired 66-year-old female with an income level of over $40,000.

The message for retailers is clear. They need to get well-trained, helpful, courteous salespeople out on the selling floor if they want to attract and to hold on to customers.

In fact, the importance of sales help came through loud and clear in their role in motivating additional travel. Specifically, in terms of those convenience factors related to selling personnel, the results are as follows: 69% are motivated to travel farther because of "good help—salespeople know the merchandise and are really helpful," 59% because of "nice help . . . salespeople make you feel welcome" and 57% because of the sales help in general.

Also related closely to these factors is the convenience that "It takes less time to find what you are looking for when you get there," which is important to 58% of the survey participants. "Because I don't like to shop, I'd rather just go in, find what I want, buy it and go home. I hate to spend a long time in any store," says a mother of two in Indianapolis (household income in the range of $15,000 to $20,000).

Among the other prime motivators is the fact that a store allows customers to "phone ahead for information about merchandise," important to 51% of the respondents.

As one consumer points out, she likes to telephone ahead for information because "I don't like not finding what I want—it's a waste of time. I just hate it if I'm not being productive, being able to get what I want done or take care of business. By telephoning ahead I know who has the merchandise I want and how much it costs."

Likewise, "Why make excess trips when you don't need to and you can save time and gas money . . . my time off is particularly important to me. I don't have a lot of it and I don't want to spend it all shopping around," says another consumer.

Consumers obviously have very definite ideas about what they do, and don't, expect from the stores that they patronize. It's up to retailers to listen to what they want. Only then can they determine where and when to invest in such conveniences to achieve maximum results—in terms of both sales and profitability. ■